

EX PARTE OR LATE FILED

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

July 17, 2003

**NOTICE OF EX PARTE
COMMUNICATION**

Marlene H. Dortch, Secretary
Federal Communications Commission
The Portals
445 12th Street, S.W., TW-A325
Washington, DC 20554

**Re: Implementation of the Pay Telephone Reclassification and Compensation
Provisions of the Telecommunications Act of 1996, CC Docket No. 96-128**

Dear Ms. Dortch:

On July 15, 2003, Albert H. Kramer and Robert F. Aldrich, attorneys for the American Public Communications Council ("APCC"), Willard R. Nichols, President of APCC, and Ruth Jaeger, President of APCC Services, Inc., had a meeting with Jeff Carlisle, Deputy Chief of the Wireline Competition Bureau, Gregory Cooke, Deputy Chief of the Competition Policy Division, and Darryl Cooper, Jack Yachbes, and Robert Tanner of the Division staff.

We discussed APCC's concerns about the procedures followed by a number of carriers in the most recently completed payphone compensation cycle in "taking back" (by deducting from current compensation payments) large portions of the compensation paid in several previous quarters.

Three carriers – AT&T, Excel, and Global Crossing – asserted that they were taking back compensation because some resellers had belatedly informed the carriers that some of the calls for which the carriers had previously paid compensation were not completed to end users. A fourth carrier, MacLeod, asserted that it was taking back previously paid compensation for calls for which an audit revealed it was not the first facilities-based carrier. The carriers did not provide advance notice of the takebacks, did not offer any opportunity to dispute the takebacks before deducting the amounts from compensation currently due, and provided only summary information about the calls subject to takebacks.

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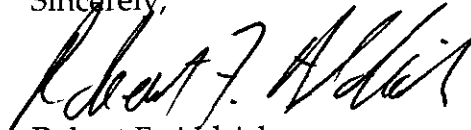
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Marlene H. Dortch, Secretary
July 17, 2003
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The takebacks are generally described in the attached letters, from the carrier's payment agent. Copies of these letters were not handed out at the meeting but were delivered to the participants today.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert F. Aldrich". The signature is fluid and cursive, with the first name "Robert" being more prominent.

Robert F. Aldrich

Enclosures

cc: Jeff Carlisle
Gregory Cooke
Darryl Cooper
Jack Yachbes
Robert Tanner



Letter ID: 1052

July 1, 2003

Dear Payphone Owner,

The Federal Communications Commission's November 2001 Rules regarding compensation of Payphone Service Providers ("Payphone Rules") provide that: "the first facilities-based interexchange carrier to which a completed coinless access code or subscriber toll-free payphone call is delivered by the local exchange carrier shall compensate the payphone service provider for the call." Such interexchange carrier "may obtain reimbursement from its reseller and debit card customers for the compensation amounts paid to payphone service providers for calls carried on their account and for the cost of tracking compensable calls."

With respect to calls made from a payphone using AT&T Network Connection - Toll Free Service ("ANC Toll Free Service"), AT&T is "the first facilities-based interexchange carrier to which a completed coinless access code or subscriber toll-free payphone call is delivered by the local exchange carrier." AT&T's reseller customers for ANC Toll Free Service are the "reseller . . . customers".

At considerable expense in developing the process, and establishing the agreements, AT&T has entered into agreements with a few of its reseller customers to define the process to enable these resellers to pay on only "completed" calls and not pay on not "completed" calls as those terms are defined in the Payphone Rules. The process, which has the resellers provide the not "completed" call details to AT&T, enables AT&T to distinguish between "completed" and not "completed" calls made using the AT&T Network. Although there have been numerous practical difficulties in achieving our goal, this process would enable AT&T to collect from its reseller customers and pay the Payphone Service Providers only on "completed" calls according to the Payphone Rules.

Starting with the calendar quarter beginning July 1, 2003, the calculation for the amount of AT&T's quarterly submissions to the Payphone Service Providers will include AT&T's retroactively taking back certain sums it paid to the Payphone Service Providers in the amount of the difference between (i) what AT&T paid and (ii) what it would have paid during that November 2001 - March 2003 period based on the number of payphone calls actually "completed" within the meaning of the Payphone Rules ("AT&T's retroactive take-back"). The data that AT&T has obtained from its reseller customers on "completed" and not "completed" payphone calls in connection with the agreements referred to above will be provided or has been provided, in summary fashion, as a basis for AT&T's retroactive take-back component of its quarterly submission calculation.

If you have any questions please do not hesitate to contact Elisabeth Benensky at ebenensky@att.com.

Sincerely,

National Payphone Clearinghouse

National Payphone Clearinghouse
Room 102-980, 201 East 4th St., Cincinnati, OH 45202
Phone: 513-397-6260, Fax: 513-721-COIN(2646), E-mail: npc@cinbell.com



Letter ID: 1051

July 1, 2003

Dear Payphone Owner,

FCC rules require an inter-exchange carrier (Excel Communications) to pay payphone compensation solely on completed calls. Excel has a number of switched-based resellers on our network, where we can not determine whether or not the calls have actually completed once they are transmitted to the customer's platform.

During operating quarter 1q2003, Excel received CDR data from one of our switched-based resellers (Transcomm) containing the numbers of incomplete calls during 12/2002, 1q2002, 2q2002, and 3q2002. Excel used this data to file retroactive take backs for the above mentioned month and quarters. As a result, you will see credit adjustments (take backs) on your 1q2003 pay out.

Excel also reserves the right to perform retroactive take back adjustments in the future as a result of this incomplete call issue.

Sincerely,

National Payphone Clearinghouse



Letter ID: 1055

July 1, 2003

Dear Payphone Owner,

Subject: PAYPHONE SURCHARGE RETRO TRAFFIC SUBMISSION

Resulting from the FCC reallocation of responsibility for Dial-Around Compensation to the IXC's, Global Crossing has been responsible for remitting data and payments to compensate the Payphone Service Providers (PSP's) through the National Payphone Clearinghouse (NPC)

Global Crossing has been simultaneously billing a segment of our Switched Based Resellers (SBR's) and paying the industry for completed calls based on our records. Some of the SBR have disputed and provided evidence that calls were not completed to the called party. As a result, overpayments were made to the PSP's because the total numbers of completed calls were less than our records indicated.

Therefore, our processes have determined that fewer calls were actually terminated to the called party, and Global Crossing has over paid the industry. The NPC Retro Traffic Submission Process was deployed for retroactive credits from previous processing quarters and will be applied against future PSP payment amounts for Global Crossing.

Sincerely,

National Payphone Clearinghouse



Letter ID: 1053

July 1, 2003

Dear Payphone Owner,

You will note McLeodUSA has included adjustments for Retro Traffic Take Back for 4Q2001 through 2Q2002 to the 1Q2003 compensation release to you as prepared by NPC.

This adjustment is the result of an audit of call records from fourth quarter 2001, first quarter 2002 and second quarter 2002. The audit revealed that McLeodUSA incorrectly paid dial around compensation for 261,961 calls in 4Q2001, 441,231 calls in 1Q2002 and 193,658 calls in 2Q2002 for which it was not the first facility based carrier.

Therefore, both the first facility based carrier and McLeodUSA rendered compensation for the same 8XX calls from your payphone. McLeodUSA is deducting the overpayment with the Retro Take Back adjustment on your 1Q2003 release. The first facility based carrier passed the cost of compensating you for those calls on to McLeodUSA in the form of payphone surcharges added to the wholesale invoices rendered to McLeodUSA.

If you have questions or require further information, please contact me directly at twilla.shires@mcleodusa.com or you may call (918) 419-3588.

Sincerely,

Twilla Shires
Manager, Network Cost Management
McLeodUSA